

Standard Oil Offers Huge Stock Issue

War and Excess Profit
Taxes Cause Company
to Seek 100 Millions to
Expand Foreign Trade

J. P. Morgan & Co.
Will Underwrite It

First Balance Sheet in
13 Years Shows Assets
of \$562,543,025 Now

For the first time in its history the Standard Oil Company of New Jersey, the foundation stone of the numerous Rockefeller properties, is to raise new capital for the extension of its great overseas business by the sale of stock. Announcement was made yesterday by A. C. Bedford, chairman of the board of the company's plans to offer at par, \$100, for subscription by the present stockholders, share for share, \$98,338,200 of new cumulative 7 percent non-voting preferred stock. The stockholders will be asked to approve the creation of an issue of \$100,000,000 of the new stock at a special meeting called for August 15.

The issue will be underwritten by J. P. Morgan & Co. The bankers will organize a syndicate, consisting of several of the leading Wall Street banking and investment houses, to handle the offering. The complete membership of the syndicate will be announced some time next week. Application will be made to admit the new stock to trading on the New York Stock Exchange.

Balance Sheet Issued

In making public the decision of the company to sell stock, the Standard departed from its long established policy of secrecy as regards its corporate affairs, and issued the first balance sheet since 1906. It shows total net assets of \$562,543,025. Plant, stable and floating equipment, less depreciation, are carried at \$249,827,931. Stocks in other corporations are valued at \$23,009,449, government bonds and other investment securities at \$93,452,360, inventories of merchandise at \$150,505,280, accounts receivable at \$151,820,055 and cash at \$13,201,851. The nominal liabilities of the company consist of \$98,338,200, the present capital, and a \$492,315 reserve for annuities, leaving a surplus, including reserve for working capital, of \$468,712,409.

The balance sheet issued by the company in 1906, at the time of the government suit for dissolution of the so-called Standard Oil Company, showed net assets as of December 31, that year, including the three companies afterward segregated under the dissolution decree, of \$359,400,138.

Profits Disclosed

The first insight in many years into the actual profits of the Standard Oil Company of New Jersey discloses earnings in 1918, before deduction of Federal taxes, amounting to \$101,644,143. The company paid \$48,625,939 in taxes in 1918, leaving net earnings of \$52,918,204, out of which \$19,667,660 was paid to stockholders in dividends.

In the past it has always been the policy of this and the other Standard Oil companies to finance expansion through drawing on earnings from year to year. Mr. Bedford in an open letter to the stockholders, "has been to finance the growth from current earnings, but in conditions now existing, and having regard to the greater necessity of the division of a considerable proportion of these earnings to excess profit and other war taxes, your directors feel that it is advisable to increase the capital employed in the business by the issue of the proposed issue of preferred stock. It is the intention to utilize the new capital in the financing of the development of the company's equipment and resources, which plans are already under way. These include measures for the continuation of a substantial proportion of the customers' future supply of crude oil, as well as maintaining a cash reserve against contingencies, the active prosecution of the company's program of increasing its refining facilities, the expansion of its transportation systems and the extension of its distributing plants."

For Foreign Business

In discussing the company's program officials made it clear yesterday that it did not involve the purchase of any new producing properties. In particular, the new financing was planned with a view to enabling the corporation to take care of the great foreign business that is anticipated. The Standard of New Jersey through its stockholders and through a number of domestic and foreign joint venture corporations has, since its inception, established a tremendous business in the production, refining, transportation, distribution and sale of petroleum, both at home and abroad, and has developed a considerable interest in enterprises engaged in producing and distributing natural gas. In addition to a steadily expanding domestic trade the company, through its foreign subsidiaries, has established direct relations with many thousands of customers for petroleum products throughout Europe and Central and South America. The call for the special meeting of stockholders to approve the proposed issue of new preferred stock states that the holders of the preferred stock shall have no voting powers, "nor shall they be entitled to notice of any meeting of the stockholders of the corporation." This will leave the control of the company with the present management. It is also provided that the preferred stock as an entirety shall be subject to redemption and corporation at any time after three years from the date of issue on any quarterly dividend by payment of each share of stock so to be redeemed of 115 per cent of the par amount.

More Liquor Men, Discouraged, Quit Eight Keepers of Stores, Following 2.75 Decision, Drop Licenses

New York saloons and liquor stores proved yesterday that they took seriously the court decision against 2.75 beer by curtailing their sales materially.

The liquor stores were most seriously affected by the decision, since they agreed that prosecutions against them would be more readily carried to a successful conclusion than where the liquid sold was consumed on the premises.

An evidence of the result of the decision was seen at the offices of the State Excise Department, when eight liquor stores turned in their licenses for rebate, beginning August 1. It is expected scores of others will follow their lead before the end of this month. Since the stores have been reduced to selling practically nothing but ginger ale and soft drinks for home consumption their owners can see no reason for paying \$100 a month for licenses. "The bottom has been knocked out of the liquor business here," said one of the liquor store owners yesterday. "I am remaining open only until I can get rid of the stock I have on hand. A few stores will reopen October 1—or whenever demobilization is declared—but I don't think they are going to reap the harvest their owners are expecting. The liquor business is dead." In the absence of William H. Anderson, state superintendent of the Anti-Saloon League, Andrew B. Wood, his assistant, expressed the gratification of the drys at the decision rendering "war beer" illegal.

Woman Agent Of Trotsky in U. S. Sought

Lusk Committee Operatives
Are Instructed to Find
Mme. Sarah N. Ravvich,
Hiding in This Country

Mme. Sarah Nauvova Ravvich, said to have been sent to this country by Leon Trotsky to organize the forces of unrest and revolution, with a view of seizing the government, is now being sought by operatives of the Lusk Joint Committee on Bolshevism. Mme. Ravvich, described to the committee as the one who directed the betrayal of Russia, arrived in this country some time ago under an assumed name. According to the information of the committee she is said to have served Germany well in the late war. She was one of those allowed to pass through Germany in sealed cars from Switzerland to Russia just prior to the overthrow of the Constituent Assembly by the Bolsheviks.

Immediately after evidence had been presented to the committee yesterday that Mme. Ravvich and others who were active in the Bolshevik revolution were in America, Senator Clayton B. Lusk sent for Immigration Inspector A. B. Schell, who has been assigned to the committee. When Schell arrived, he was adjourned, and the committee went into a secret conference with the immigration officer. Schell was requested to ascertain just how many of the agents of Trotsky had entered through Ellis Island in the last three years. The immigration officials on the Pacific Coast and on the Mexican borders also have been requested to aid in checking up on the Soviet agents sent here.

Lists of Red Agents

Ven Svarc, the Cleveland attorney who was on the witness stand Thursday, continued his testimony yesterday and gave the committee a list of names of persons who were active in the "Hohenzollern Special" that carried leaders of Bolshevism from Switzerland to Russia. He furnished a list of more than two hundred trusted propagandists of Trotsky and Lenin who prepared the way for the revolution. Both these lists will be investigated in all parts of the country. Mme. Ravvich's name appears on one of the lists. She is said to be a mysterious woman who left Russia with the wife of Trotsky for Norway when the Russian director sent 100,000,000 rubles to the committee. It is known most of this money was intended for the dissemination of Red propaganda, but the committee has been unable to ascertain how much she brought to the United States. Svarc also made abroad report that part of the fund was intended for the I. W. W., now openly cooperating with the Bolsheviks.

Mr. Svarc told Deputy Attorney General Berger that the methods employed by the Bolshevik propagandists here now are identical with those used in Russia. He said that the work of Mr. Berger showed that some of the men sent out to engineer the overthrow of the Russian government now are active in the United States.

Aim to Ruin Industry

The witness testified the Bolshevik work toward the disintegration and ruin of industry as a means of forcing the masses to join them, with a promise of better conditions.

He said the Bolsheviks and workmen they are masters of all enterprises and should have the fruits of all products. Under these conditions, he explained, the workmen took much of the product of the factories home with them, but still demanded wages at the end of the week. Mr. Svarc said that only about 30 per cent of the product was sent through Bolshevik channels for distribution.

Much of the material read into the record yesterday consisted of translations from Russian papers, conducted under the rule of Trotsky.

The committee adjourned until Wednesday at 2 p. m., when it is expected the Russian investigating Trotsky agents in this country will make their reports. It is expected that before machinery is put in motion for the deportation of these agents they will be called before the committee.

Liberals Elect New Premier

For Prince Edward Island

CHARLOTTETOWN, P. E. I., July 25.—The Prince Edward Island provincial conservative government of A. Arsenault was defeated at the general elections yesterday.

The new House will consist of twenty-six Liberals and four conservatives. The new Premier will be J. B. Bell, member for Prince County.

Wilson Warns Against Sending Arms to Mexico; Says American Troops Are to Remain in Siberia; Expects China to Accept Shantung Settlement

President's Proclamation
Blames Shipment of
U. S. Munitions for
"Domestic Violence"

Orders Army to
Enforce Embargo

Gives Lansing Right to
Make Exceptions in
Application of Ruling

WASHINGTON, July 25.—President Wilson to-night issued a proclamation

attributing the state of "domestic violence" existing in Mexico to arms and ammunition procured in the United States in violation of the embargo set up by Congress March 14, 1912. Attention is called to the fact that the embargo is still in force and notification is given that violators will be vigorously prosecuted.

Officers and men of the United States army are called upon to aid Federal officials in the enforcement of the law and bringing violators to trial. The text of the proclamation reads: "Whereas, a joint resolution of Congress, approved March 14, 1912, reads and provides as follows: "That whenever the President shall find that in any American country conditions of domestic violence exist which are promoted by the use of arms or munitions of war procured from the United States, and shall make proclamation thereof, it shall be unlawful to export except under such limitations and exceptions as the President shall prescribe any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress."

Two Years in Prison

"Whereas, It is provided by Section 2 of the said joint resolution that any shipment of material hereby declared unlawful after such a proclamation shall be punishable by a fine not exceeding \$10,000 or imprisonment not exceeding two years, or both; and,

"Whereas, By an act of Congress, approved June 15, 1917, it is provided:

"Whenever an attempt is made to export or ship from or take out of the United States any arms or munitions of war or other articles, in violation of law, or whenever there shall be known or probable cause to believe that any such arms or munitions of war or other articles are being or are intended to be exported or shipped from or taken out of the United States, in violation of law, the several collectors, naval officers, surveyors, inspectors of customs and marshals and deputy marshals of the United States and every other person duly authorized for the purpose by the President, may seize and detain any articles or munitions of war about to be exported or shipped from or taken out of the United States, in violation of law, and the assets or vehicles containing the same, and retain possession thereof until released or disposed of as hereinafter directed.

Can Be Forfeited

"If, upon due inquiry, as herein-after provided, the property seized shall appear to have been about to be unlawfully exported, shipped from, or taken out of the United States the same shall be forfeited to the United States."

"And whereas, by the same act of Congress, it is provided in Section 2 thereof, as follows:

"The President may employ such part of the land or naval forces of the United States as he may deem necessary to carry out the purposes of this title."

"Now, therefore, I, Woodrow Wilson, President of the United States of America, acting under and by virtue of the authority conferred in me by the said joint resolution and act of Congress, do hereby declare and proclaim that I have found that there exists in Mexico such conditions of domestic violence promoted by the use of arms or munitions of war procured from the United States as contemplated by the said joint resolution and act of Congress; and I do hereby admonish all citizens of the United States and every person to abstain from every violation of provisions of the joint resolution and act of Congress above set forth, hereby made applicable to Mexico, and I do hereby warn them that all violations of such provisions will be vigorously prosecuted.

Orders Army Enforcement

"And I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said joint resolution."

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Letter to Senate Says
American Soldiers Are
Needed to Guard the
Rails From Outlaws

Must Stay as Long
As U. S. Experts

Interference in Russian
Affairs Forbidden, Says
Reply to Johnson Query

WASHINGTON, July 25.—President Wilson informed the Senate to-day in response to a resolution by Senator Johnson, Republican, California, that the presence of American troops in Siberia was a "vital element" in the restoration and maintenance of traffic on the Siberian railroad and that under the agreement with Japan they could be withdrawn only when the American railway experts, operating the road, were withdrawn.

The President said Siberia could be protected from a further period of chaos and anarchy only by keeping the railroad open, and that lacking the prime essentials of life the people there were looking to the United States and the Allies for economic assistance. This already is being extended, and additional supplies are to be sent forward.

Outlaws Menace Railroad
Roving bands having no connection with any organized government in Russia are menacing the railroad, the President said, and consequently its protection by the military is necessary. American troops, he said, now are engaged in guard duty at Vladivostok and around Verkhne Udinsk. A small body also is at Harbin.

The original purpose of the American military expedition, Mr. Wilson wrote, was twofold: The saving of the Czechoslovak forces and the steadying of the efforts of the Russians at self-defense or the establishment of law and order in which they might be willing to accept assistance.

Major General Graves, commanding the expedition of 8,000 men, was specifically directed not to interfere in Russian affairs, the President said, but to support wherever necessary John F. Stevens, the American railway engineer, who is carrying out the work of rehabilitating the Siberian railroad under the direction of the inter-Allied committee.

Text of President's Message

The President's message to the Senate follows:

"For the information of the Senate, and in response to the resolution adopted June 23, 1919, requesting the President to inform the Senate, if not incompatible with the public interest, of the reasons for sending United States soldiers to Siberia, the duties that are to be performed by these soldiers, how long they are to remain, and generally to advise the Senate of the policy of the United States government in respect to Siberia and the maintenance of United States soldiers there, I have the honor to submit the following decision to send American troops to Siberia was announced to the press on August 5, 1918, in a statement from the Acting Secretary of State, of which the record is included.

Two Regiments of Infantry

"Two regiments of infantry, with auxiliary troops—about 8,000 effective men—were sent, under the command of Major General William S. Graves. The troops began to arrive at Vladivostok in September, 1918.

"Considerably larger forces were dispatched by Japan at about the same time, and much smaller forces by others of the Allied powers. The net result was the successful reunion of the separated Czechoslovak armies and the substantial elimination in Eastern Siberia of the active efforts of enemy prisoners of war. A period of relative quiet then ensued.

"In February, 1919, as a conclusion of negotiations begun early in the summer of 1918, the United States accepted a plan proposed by Japan for the supervision of the Siberian railways by an international committee, under which committee John F. Stevens would assume the operation of the Russian railway service forces. In this connection it is to be recalled that John F. Stevens, in response to a request of the provisional government of Russia, went to Russia in the spring of 1917. A few months later he was made official adviser to the Minister of Ways of Communication at Petrograd under the provisional government.

American Engineers Used

"At the request of the provisional government, and with the support of John F. Stevens, there was organized the so-called Russian Railway Service corps, composed of American engineers. As originally organized, the personnel of this corps constituted fourteen skeleton division units as known in this country, the idea being that they would be supplemented by practical advisers and assistants from fourteen different sections of the Si-

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Moral:—Always speak kindly to the driver if you've got to ride behind him

French Uphold Negro Equality In U. S. Clash

Incidents at Army Ports
Cause of Colloquy in
Chamber, After Which
Resolution Is Passed

PARIS, July 25 (By The Associated Press).—The government was interpellated in the Chamber of Deputies this afternoon on the rough treatment

French colored soldiers are alleged to have received from the American military police in French ports. The questions were asked by M. Boismont and M. Lagrosilliere, colored Deputies, respectively from Guadeloupe and Martinique.

The debate that ensued ended with the unanimous adoption of the following resolution:

"The Chamber, faithful to the immortal principles of the rights of man, condemning all prejudices of religion, caste or race, solemnly affirms the absolute equality of all men without distinction of race or color, and their right to the benefit and protection of all the laws of the country. The Chamber counts upon the government to apply these laws and see that the necessary penalties for their infringement are inflicted."

Jules Pams, Minister of the Interior, replying to the colored Deputies, said that the government had applied penalties and asked them not to insist upon a discussion of every regrettable incident, as France does not forget the services rendered by her colored sons.

The Minister of the Interior added that the American government had not hesitated to express regrets in terms that did France the greatest honor.

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And it is America that wants a society of nations," interjected Charles Bernard, a Deputy from the Seine.

"The circular wasn't signed by Wilson," shouted Deputy Mayeras, Socialist from the Seine, in reply to M. Bernard.

Agricultural Bill Signed

WASHINGTON, July 25.—President Wilson to-day signed the agricultural appropriation bill from which Congress had eliminated a rider repealing the daylight saving act after the President had vetoed the original measure.

Big War Indemnities Go To Rumania and Serbia

PARIS, July 25.—Rumania and Serbia receive the greater part of more than a billion francs (\$200,000,000) indemnity demanded under the Bulgarian peace terms, which are nearly finished, according to "The Excelsior."

The rest will be given to Greece, the paper says.

11 Boys Drowned In Bay State Pond

Boats Capsize on Way
From the Mainland to
Camp Near Springfield

SPRINGFIELD, Mass., July 25.—Eleven boys, members of the Springfield Boys' Club, were drowned this afternoon in a pond near here, when a flat boat and several canoes in which they were being towed tipped over. The drowned are Fred Miller, Edward Boucher, Amos Newell, Fred Stevens, Francis Moriarty, Harry Nash, Donato Dilizia, Mitchell Levine, Leonardo Santasiere, assistant camp leader; Walter Sears and Earl Robertson.

The boys, who were in camp with forty-two other boys on an island had been on the mainland for athletic sports and were being taken back for dinner. About half way across a high wind came up, causing a wave to partly fill the flat boat. When the launch towing them turned to go back to the mainland other waves filled the boat and it sank. Some of the boys held on to the boat, but when one of the youngsters lost his hold all of the others on that side of the boat started to rescue him. This caused the boat to turn over and all lost their hold.

Other boys, who were following in canoes, paddled into the struggling mass of humanity and some of these were capsized also, accounting for other drownings.

Santasiere, one of the four directors in the launch, when he saw the panic among the boys, jumped into the water in an effort to rescue. A cheerer soon pulled down by the struggling boys and drowned with the others. Only one body had been recovered up to 6 o'clock.

Disabled French Soldiers

To Be Honor Legionnaires

PARIS, July 25.—The Chamber of Deputies to-day adopted an amendment to the Legion of Honor bill providing that the Legion of Honor decorations be given all totally disabled, maimed soldiers holding military medals. Such soldiers who have received the decoration of chevalier would be promoted, under the terms of the amendment, to the grade of officer of the Legion of Honor.

Colombia Pact Likely to Delay Peace Treaty

Republican Leaders in Senate Plan to Put Aside the German Document to Consider Old Dispute

WASHINGTON, July 25.—Under present plans of Republican leaders the German peace treaty will be set aside temporarily for consideration of the treaty between the United States and Colombia, proposing payment to the latter of \$25,000,000 for damages arising from American acquisition of the Panama Canal.

Chairman Lodge of the Senate Foreign Relations Committee said to-day the Colombian treaty would be taken up by the committee next week with plans for its immediate ratification by the Senate. Action on the treaty has been urged by State Department officials.

It was understood that an agreement of this clause, in an article under the Lodge and Under Secretary Poik, of the State Department, by which the committee would eliminate the clause of the treaty suggesting regrets to Colombia for the partition of Panama. Republicans have held up ratification of the treaty for several years because of this clause, and some time ago the amount of the damages to be paid Colombia was reduced to \$15,000,000, but in consideration of the elimination of the regret clause the original sum of \$25,000,000 was restored.

Renewed request for immediate action on the treaty was made to-day by Secretary Lansing and the American Minister to Colombia, Chairman Lodge will confer to-morrow with Mr. Lansing and he hopes to obtain ratification of the treaty by the Senate next week.

"Vorwaerts" Warns of
Reactionary Troops

German Socialist Organ Tells
of "Effrontery" of Crack
Regiment in Berlin

BERLIN, July 24.—"Vorwaerts," the Socialist organ, in an article under the heading "New Provocations," says:

"Troops, led by lance riders, officers with drawn swords, and artillery carrying the red, white and black flag, appeared before the government building this morning and their band crowned the incident by playing 'Die Wacht Am Rhein.'"

The newspaper says that this probably was the same "Iron Squadron" on the previous day marched past Bismarck's monument with its band playing an imperial march, and asks what the officials have to say to such effrontery.

President Defies Senate
and Will Not Offer
French Pact Till He
Completes U. S. Tour

Spencer Proposes
New Reservations

Says Wilson Admits U. S.
Should Delay League
Functions for 10 Years

New York Tribune Washington Bureau

WASHINGTON, July 25.—Even China may be satisfied with the Shantung section of the peace treaty, as a result of the developments of the next few days, President Wilson told Senator Spencer, of Missouri, to-day. The Missouri Senator left the White House after an hour's talk with the President, confident that Japan immediately would make some statement which would quiet the opposition to the Shantung section.

Other developments of the day were:

FIRST—Senator Borah urged the Democrats to defeat all reservations, saying they were of no value, but would be thrown out of "court" by the league council. He cited reservations to the Federal Constitution made by Virginia, New York and Rhode Island when they ratified it, pointing out they were disregarded by the courts.

SECOND—Senator Walsh, of Massachusetts, expressed the belief that this was a ruse and that Senator Borah really wanted to force the rejection of the entire treaty. Mr. Borah admits this desire.

Wilson Defies Senate

THIRD—The White House announced that President Wilson would not give the French treaty to the Senate until after his return from his swing around the country. His return is expected to be about seven weeks hence.

FOURTH—Senators are growing more irritated over the failure of the President to send the Foreign Relations Committee any of the information asked for on July 15, and are exercised over the White House announcement on the French treaty in the face of the pending League resolution calling for its text.

FIFTH—President Wilson will start on his swing around the country in about three weeks, the White House announced. Secretary Daniels said positively the President would be in San Francisco on August 15.

SIXTH—President Wilson, commenting on the Taft reservations, said he would much prefer an amendment under which the United States did not assume any obligations under the league until after ten years, rather than the Taft plan of withdrawing at the end of ten years.

SEVENTH—Senator Spencer gave the President his draft of five reservations, as printed in The Tribune Tuesday. He told the President if the President would act promptly in accepting such a scheme of reservations the treaty would be speedily ratified.

EIGHTH—Both Senators Warren and Spencer, the two Republicans with whom the President conferred to-day, returned to the Capitol unchanged in their positions.

Spencer Offers Reservations

"I told the President," Senator Spencer said, "that I thought the reservations which I handed to him, and which we discussed, one by one in detail, would, should he back them, result in the speedy ratification of the whole treaty. I got the impression that he had no inherent objection to any of these five reservations, but he feared the example of our adopting them would be very dangerous in encouraging other nations to adopt reservations which they desired."

"I told him I was confident that without such reservations the treaty would surely be rejected by the Senate. The President did not change my views any, but I got a much clearer understanding of his position. He impressed me as being willing to do anything in his power to bring success to the league—in the world. Mark you, I do not mean by that he would do anything to bring success to it in the Senate, but in the world."

"The reference the President made to the Taft reservations was to the one providing for withdrawal by the United States from the league at the end of ten years. The President said that at the end of ten years would be the very moment when the need of our operations would begin. He said it would be much better if we would not begin our functions in the league for ten years."

"He said he hoped the provision regarding Shantung would soon develop to be not as objectionable as it appears on its face. He said he thought that if some statement should be made by Japan, for instance, which would even satisfy China, the opposition to this action in the Senate would be withdrawn. But I say that unless